In Re: HIGH-TECH EMPLOYEE ANTITRUST LITIGATION

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA SAN JOSE DIVISION

| IN RE: HIGH-TECH EMPLOYEE |) | |
|---------------------------|---|--------------------|
| ANTITRUST LITIGATION |) | |
| |) | No. 11-CV-2509-LHK |
| THIS DOCUMENT RELATES TO: |) | |
| ALL ACTIONS. |) | |
| |) | |

CONFIDENTIAL - ATTORNEYS' EYES ONLY

VIDEO DEPOSITION OF GEORGE LUCAS

MARCH 28, 2013

Reported by: Rosalie A. Kramm, CSR No. 5469, CRR

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- 1 Pixar complained to Lucasfilm about Lucasfilm's
 2 recruiting efforts?
- 3 A. No.
 - Q. And then it says, "Complaints about breaches of the agreement led the two firms to alter their conduct going forward to conform to the agreement."

Do you see that?

- A. Yes.
 - Q. Do you know if that's true?
- 10 A. No.
 - Q. Now, the -- the next paragraph says -- well, let me ask you a question before I get there.
 - Did you -- at Lucasfilm, who knew about your understanding with Ed Catmull?
- 15 A. I don't know.
 - Q. Was it -- was it a matter of kind of public knowledge within the company?
 - A. That, I don't know either.
- Q. Okay. Did you ever tell anybody that worked for you that information regarding your conversations with Ed Catmull were not to be widely disseminated or described?
- 23 A. No.
- Q. Okay. Now, this says in the next paragraph,

 "It eliminated a significant form of competition to

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- attract digital animation employees and other employees covered by the agreement." Do you see that?
 - A. Uh-huh.
 - Q. Would you agree that your agreement or your -- your -- excuse me.

Would you agree that your conversations with Ed Catmull served to head off any competition between the two companies to attract digital animation employees?

- A. No.
- Q. Well, would you agree that the discussions you had with Ed Catmull generally prevented, as you said, efforts by the two companies that might have killed each other?
- A. Right. I was trying to -- we were trying to protect the San Francisco film industry. It is very, very small. It is very hard for us. We're not like Hollywood. And the only way we can survive is if we do it together. United we stand, divided we fall. This is not like a regular capitalist kind of operation where you're out to kill the other guy. I'm promoting digital technology for cinema, and I'm devoting a lot of my time working with animators and with visual effects people to try to expand the entire medium and discipline for everybody. When I came here, there were nobody -- there was nobody.

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- Q. Did you believe that if you were kind of competing with Pixar for employees, and -- and recruiting or raiding each other's talent, that you would -- that would have limited your ability to do that?
 - A. Yes.
- Q. And it would have made -- it's your testimony that that kind of raiding or recruiting would have limited the growth of the industry here.
- A. Definitely. It's -- it's, you know -- it's a very common thing in our business. It is something that comes -- Lucasfilm has been close to bankruptcy several times because of it. It's not something we take lightly. And, as I say, most of the visual effects companies and a lot of the animation companies now are broke. They are bankrupt, they're gone, or they've gone to Europe.
- Q. So it's your -- is it your testimony that were you to -- were you to have competed with -- with Pixar with respect to compensation or recruiting or retaining talent, that you would have not been able to succeed as a business?
- A. We would have been able to succeed, but my way of looking at that is not in an adversary way. My whole life is dedicated to cooperation and helping people and being together to help people to expand and create something that wasn't there before. It is only the

| I, Rosalie A. Kramm, Certified Shorthand |
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| Reporter licensed in the State of California, License No. |
| 5469, hereby certify that the deponent was by me first |
| duly sworn and the foregoing testimony was reported by me |
| and was thereafter transcribed with computer-aided |
| transcription; that the foregoing is a full, complete, |
| and true record of said proceedings. |
| I further certify that I am not of counsel or |
| attorney for either of any of the parties in the |
| foregoing proceeding and caption named or in any way |
| interested in the outcome of the cause in said caption. |
| The dismantling, unsealing, or unbinding of the |
| original transcript will render the reporter's |
| certificates null and void. |
| In witness whereof, I have hereunto set my hand |
| this day: April 9, 2013. |
| $_\X$ Reading and Signing was requested. |
| Reading and Signing was waived. |
| Reading and signing was not requested. |
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| ROSALIE A. KRAMM |
| CSR 5469, RPR, CRR |
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